

CALIFORNIA MEDICAL ASSOCIATION

This department contains official notices, reports of county society proceedings and other information having to do with the State Association and its component county societies. The copy for the department is submitted by the State Association Secretary, to whom communications for this department should be sent. Rosters of State Association officers and committees and of component county societies and affiliated organizations, are printed in the front advertising section on pages 2, 4 and 6.

CALIFORNIA MEDICAL ASSOCIATION†

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 PHILIP K. GILMAN, M. D. Council Chairman
 JOHN W. CLINE, M. D. Chairman, Executive Committee
 GEORGE H. KRESS, M.D. Secretary-Treasurer and Editor
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OFFICIAL NOTICES

SPECIAL MEETING: C.M.A. HOUSE OF DELEGATES

**Important. Attention of C.M.A. Members Is Called to:
 Proposed Compulsory Health Insurance Law
 for California**

Note. In the current issue, on page 1, editorial comment is made concerning the sequence of events that led up to the Special Session of the House of Delegates of the California Medical Association and the proceedings that have followed.

The series of minutes, resolutions and press notices which follow, appear in this department, because the importance of the issues involved, make it desirable that proper record be kept in the OFFICIAL JOURNAL of the California Medical Association.

The resolutions adopted by the C.M.A. House of Delegates, representing the decisions of that authority, appear in the current number, on page 32.

(For index of items which follow, see page 40.)

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EXECUTIVE COMMITTEE OF THE CALIFORNIA MEDICAL ASSOCIATION

Minutes of the One Hundred Eighty-sixth (186th) Meeting of the Executive Committee of the California Medical Association

An informal meeting (minutes as here given were approved by mail vote) of members of the C.M.A. Executive Committee, and members of the C.M.A. Council and other Officers of the Association was held in San Francisco on Tuesday, December 12, 1944, at the hour of 7:00 P.M.

1. Roll Call:

Executive Committee Members Present: John W. Cline, Chairman; Lowell S. Goin, Karl L. Schaupp, and George H. Kress, (ex-officio).

Absent: Philip K. Gilman (illness); E. Vincent Askey (transportation).

Council Members Present: Sidney J. Shipman, Edwin L. Bruck, Lloyd E. Kindall, John W. Green, Donald Cass, L. A. Alesen, R. Stanley Kneeshaw, Frank A. MacDonald, Sam J. McClendon.

Present by Invitation: Dwight H. Murray, Chairman, Committee on Public Policy and Legislation; J. B. Harris, Hartley F. Peart, Esq., Legal Counsel; Howard Hassard, Esq., Associate Legal Counsel; Mr. John Hunton, Executive Secretary; and Mr. Ben Read, Secretary, Public Health League of California.

Letters were received from the following Councilors who regretted their inability to be present: Philip K. Gilman, Council Chairman; H. A. Johnston, Edward B. Dewey, Dewey R. Powell, Earl R. Moody, A. E. Anderson, E. Vincent Askey, Harry E. Henderson.

2. Prospective Compulsory Health Legislation:

The meeting was called to order by Executive Committee Chairman John W. Cline, who said he would call upon members to informally discuss problems of medical care of groups of low-income citizens of California. Dr. Cline stated that imminent legislation for compulsory

† For complete roster of officers, see advertising pages 2, 4, and 6.

sickness insurance had been called to the attention of Council Chairman Gilman.

A general discussion followed concerning the information to the effect that one or more of the major Labor organizations would submit to the California Legislature, when it convened on Monday, January 8, 1945, drafts of one or more bills containing provisions for a compulsory sickness insurance system, to be conducted under the supervision of the State of California.

The discussion was participated in by many of the C.M.A. Councilors who were present.

Mention was made that Council Chairman Gilman had called an informal meeting of members of the Council of the California Medical Association, to be held on Wednesday noon, December 13th, at which Governor Earl Warren of California had been invited to address the group.

In the further discussion, comment was made concerning possible details of compulsory sickness insurance plans.

The meeting being of an informal nature, no action was taken other than to agree that all present should make a special effort to be present at the meeting on the following day at which the Governor of California would be the Guest Speaker.

JOHN W. CLINE, M.D., *Chairman.*

GEORGE H. KRESS, M.D., *Secretary.*

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(COPY)

State of California

Governor's Office

Sacramento 14, December 22, 1944

George H. Kress, M.D.,
Secretary-Editor,
California Medical Association,
450 Sutter Street,
San Francisco 8, California.
Dear Dr. Kress:

Governor Warren has received your letter of December 18th enclosing copy of letter written by Dr. Harris of Sacramento, and copy of the Official Call for a special session of your House of Delegates.

He has asked me to state to you that he appreciates the thoughtful manner in which your Association is approaching this problem, and will be interested to follow the result of your deliberations.

Sincerely,

(Signed) BEACH VASEY, *Legislative Secretary.*

COUNCIL OF THE CALIFORNIA MEDICAL ASSOCIATION

Minutes of the Three Hundred Twenty-First (321st) Meeting of the Council of the California Medical Association

An informal meeting (minutes as here given later approved by mail vote) of members of the Council of the California Medical Association, to which had been invited members of the Board of Trustees of California Physicians' Service, and others, was held in San Francisco, at the Family Club, on Wednesday, December 13, 1944, at the noon hour.

1. Roll Call:

The meeting was attended by the following:

Councilors present: Philip K. Gilman, Council Chairman; John W. Cline, Vice-Chairman; Edwin L. Bruck, John W. Green, Donald Cass, Lloyd E. Kindall, R. S. Kneeshaw, Karl L. Schaupp, Lowell S. Goin, Sam J. McClendon, Sidney J. Shipman, and George H. Kress, Secretary.

Present by Invitation: The Honorable Earl Warren,

Governor of California; Ray Lyman Wilbur, T. Henshaw Kelly, H. R. Madeley, C. Glenn Curtis, Chester L. Cooley, members of Board of Trustees of California Physicians' Service; Dwight H. Murray, Chairman C.M.A. Committee on Public Policy and Legislation; Wilton L. Halverson, Director of Public Health, State of California; J. B. Harris of Sacramento; H. Gordon MacLean of Oakland, Hospital Service of California; Ernest Sloman, D.D.S., Dean College of Physicians and Surgeons (Dental), San Francisco; Hartley F. Peart, Esq., C.M.A. Legal Counsel; Howard Hassard, Esq., Associate C.M.A. Legal Counsel; John Hunton, C.M.A. Executive Secretary, Ben Read, Secretary, Public Health League of California; Messrs. Sweigart and Vasey, Secretaries to Governor Warren.

Councilors and C.P.S. Trustees who wrote it would be impossible to be present included: Councilors A. E. Anderson, H. A. Johnston, Dewey R. Powell, Edward B. Dewey, E. Earl Moody, Frank A. MacDonald, and H. E. Henderson; C.P.S. Trustees C. L. Mulfinger, Rt. Rev. Thomas J. O'Dwyer, Glenn Myers, and A. E. Moore.

2. Purpose of Meeting:

Council Chairman Gilman opened the meeting by calling attention to trends of thought and action on the part of large groups of citizens not only in California, but throughout the United States, regarding plans to bring about a betterment in distribution and availability of adequate medical care, with special relation to the needs of citizens belonging to the lower income groups.

Council Chairman Gilman stated information had been received that at the next session of the California Legislature, which would convene on Monday, January 8, 1945, it was more than possible that one or more bills would be submitted by lay groups, providing for the institution of a compulsory sickness insurance system in California.

Because, in such proposed legislation, State and possibly Federal financial aid would be involved, it had been deemed desirable to invite the Governor of California to informally address the Officers of the California Medical Association on the above and related subjects.

3. Informal Address by Governor Earl Warren:

Governor Earl Warren then addressed the assembly.

In his presentation, Governor Warren stated that he had been happy to accept the invitation of the Officers of the California Medical Association to speak to them on the important subject of medical care, because his own observations had led him to believe that there was a distinct feeling on the part of a large number of voting citizens that ways and means should be provided, whereby adequate medical care would be made available to California citizens belonging to the low income groups. He was happy to outline his observations and view in informal manner to those present, because he felt medical care revolved in large measure around the functions of physicians, and the medical profession could be of great service in the proposed changes if its members offered constructive plans to the State's officials and the people of the State. At the close of his remarks, Governor Warren stated he would be happy to have questions put to him. A round-table conference followed. The importance of having the California Medical Association recognize existing and imminent conditions was emphasized by several speakers.

Subsequent to Governor Warren's departure, Vice-Council Chairman Cline took the chair and opened the meeting for further discussion, which followed.

4. Call for Special Session of C.M.A. House of Delegates:

Upon motion made and seconded, it was voted that a

call be issued for a special meeting of the House of Delegates of the California Medical Association, to be held in Los Angeles on January 4-5-6, 1945. A copy of the call for the special session is attached hereto. (Call was printed in the December issue of CALIFORNIA AND WESTERN MEDICINE, opposite page 281.) The Call was submitted by mail vote to the Councilors and received the favorable vote of every Councilor.

5. Invitation Extended to Governor Earl Warren to Address the House of Delegates:

Upon motion made and seconded, it was voted that an invitation be extended to Governor Earl Warren to address the House of Delegates on January 4, 1945.

Much further discussion followed concerning sickness insurance legislation.

Adjournment followed at 5:00 P.M.

PHILIP K. GILMAN, M.D., *Council Chairman*,
JOHN W. CLINE, M.D., *Council Vice-Chairman*,
GEORGE H. KRESS, M.D., *Council Secretary*.

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Digest of Remarks by Governor Earl Warren at Meeting Held on December 13, 1944

(Memoranda re: Remarks by Governor Warren of California, at an informal luncheon conference held in Family Club in San Francisco on Wednesday, December 13, 1944, to which Governor Warren had been invited. Luncheon guests included members of Board of Councilors of California Medical Association, Board of Trustees of California Physicians' Service, and other C.M.A. officers and guests. Council Chairman Philip K. Gilman and Vice-Chairman John W. Cline, presided.)

* * *

In the course of his informal remarks Governor Earl Warren brought out the following thoughts:

Governor Warren expressed his appreciation at having the opportunity to talk to representatives of the medical profession, concerning medical care needs of citizens of California; and stated he felt that members of the medical profession, both as physicians and as citizens should have a special interest in medical care plans.

Concerning problems in medical care, Governor Warren said he did not have the answers. The responsibility of finding the answers devolved largely upon the medical profession. To date, the answers had not been given.

Concerning inadequacies in medical care, increasing blame was being placed upon the medical profession by many citizens. The subject had been under such wide discussion that today professional, social and political factors were all a part of the picture.

In any extension of medical care, through coöperation with governmental agencies, financial aid from both Federal and State agencies would come into play.

It was possible that some of the proponents of compulsory sickness plans would prefer to have State plans fail, to make easier the intervention of Federal agencies later.

For himself, Governor Warren felt that the protection and promotion of health among the citizens of California should be more a State rather than a Federal function.

Regarding the Wagner-Murray-Dingell bill as presented in the last U. S. Congress, he believed physicians, by and large, were not in favor of that measure. Nor was he.

It is important that some facts be recognized. Among such, was this,—the average American family of moderate income was not in position to purchase the medical care its members needed and wanted. This want, existing today, will continue to prevail in the future, unless Government steps in and helps spread the costs.

Governor Warren referred to the voluntary Statewide medical service sponsored by the California Medical Association, and operating as California Physicians' Service. He called attention, however, to the fact that at the end of some six years of existence, in California, a State with more than seven million population, the number of beneficiary members (patient members) in C.P.S. was only slightly above 100,000. This then, could not be looked upon as the answer to the people's health needs, even though it was a commendable and valuable beginning, and a possible nucleus for other endeavors.

Governor Warren referred to the C.M.A.'s November, 1943, survey of public relations made by Foote, Cone and Belding, and mentioned some of the interpretative figures that had been brought out by Mr. John Little.

Reference was also made to the sickness legislation proposed as long ago as 1915, when Senator Hiram Johnson was Governor of California. In this State, sickness and health plans had been the subject of much discussion since that time. The rest of the Union was watching California.

Governor Warren stated it was his opinion that the time had arrived when the parties immediately and more directly concerned would find it necessary to get together on a sickness insurance plan that would be acceptable to the people.

When World War II comes to a close, some eleven million men will return to their families. In California, perhaps 800,000 would come under Federal sickness plans, and, with their families, that number would be increased to two and one-half million citizens.

Governor Warren was under the impression, based on information that had come to him, that one or more compulsory sickness bills would be presented to the next California Legislature, which will hold its first meeting on Monday, January 8, 1945, at which time he would address the Legislature.

Governor Warren stated he had seen no drafts of bills, had not been in conference with any groups, but was glad to have the opportunity to express, to physicians, the hope that prior to the convening of the Legislature on January 8th next, information would be sent to him that the medical profession of California would present one or more constructive plans designed to give adequate medical care to California citizens.

Further, he stated he was of the opinion that, if throughout the United States, the various States took the leadership in constructive legislation, members of the Federal Congress would prefer to have sickness and health care be under State rather than Federal supervision.

He felt he should also inform his hearers, that if the next California Legislature failed to provide at least the fundamentals of a Statewide plan for medical care, other groups that were interested would carry the subject to the people, for initiative vote, with chances of favorable approval by the electorate.

Governor Warren closed his remarks by stating that he hoped the medical profession of California would sense its responsibility in these matters, and take the initiative both in the Legislature and in any appeal to the electorate.

Also, he would remain to hear opinions of those present, and try to answer questions put to him.

* * *

Open discussion followed, in which many Councilors and others participated. Among items touched upon were the following:

(a) Voluntary sickness plan is not the answer to the people's health and sickness needs.

(b) It was desirable that the physician-patient relationship be maintained.

(c) A California State agency, through which funds could be collected and disbursed, might be the California Unemployment Commission.

(d) Not desirable to have doctors giving service on payroll basis.

(e) Contracts might be made with nonprofit medical care organizations, C.P.S. an example. However, no monopoly set-up would be permissible.

(f) Would include certain now exempt groups in plan, namely, household employees, agricultural workers and others.

(g) Was in favor of proper compensation to physicians who cared for indigent citizens. Plan should make provision for this.

(h) All licensed physicians and surgeons (M.D.'s and Osteopathic P. and S.) should have equal rights.

Concerning other groups, with different standards, was not prepared to give an answer.

(i) State, County, City and Local governmental agencies must be responsive to Federal suggestions (when Federal aid is given) but not be under Federal control.

(j) Hospitalization provisions, dentistry and other accessory aids, must all be recognized in a large plan.

(k) People of the United States have long looked to California as being in the advance guard in social welfare agencies.

(l) In a governing board of a Statewide plan, say of seven members, four members thereof could be of healing art professions.

(m) Ceiling income level of citizens to be covered, to be a subject of actuarial and other study.

(n) Conceded that medical profession does not want to be regimented.

(o) Medical profession should be the plaintiff by submitting to the Legislature a program for adequate medical care. Should not permit itself to be placed in rôle of defendant.

(p) If medical profession presented no constructive plan, and Legislature passed a bill sponsored by others, then if such measure not vicious, might be obliged to let same become a law.

(Signed) GEORGE H. KRESS, *Secretary*.

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STATE OF CALIFORNIA

Governor's Office

Sacramento 14, December 28, 1944.

George H. Kress, M.D.,
Secretary-Editor,
California Medical Association,
San Francisco 8, California.

Dear Doctor Kress:

Governor Warren has received your letters of December 27th enclosing you memoranda concerning his informal remarks at the December 13th luncheon in San Francisco, and a rough draft of the minutes of a Council meeting of your Association.

He has asked me to tell you that he sees no reason why these do not correctly state the substance of his remarks, and correctly state the fact of his presence for the minutes.

He wishes me to express his appreciation for your courtesy in submitting these to him for his inspection.

Sincerely,

(Signed) BEACH VASEY, *Legislative Secretary*.

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**Call For Special Session
House of Delegates of the California Medical
Association
Notice of Special Meeting**

*To the Members of the House of Delegates
of the California Medical Association:*

The Council of the California Medical Association at a special meeting thereof, duly held on Wednesday, the thirteenth day of December, 1944, at San Francisco, California, by the affirmative vote of all members present, as confirmed by official mail vote, constituting more than two-thirds of all of the members of the Council, adopted the following resolution calling a special meeting of the House of Delegates:

Resolved, That a special meeting and session of the House of Delegates of this Association, California Medical Association, is hereby called to be held at the Elks Temple, at 607 South Park View (corner West 6th Street and Park View, in the City of Los Angeles, State of California, on the fourth, fifth and sixth days of January, 1945, (Thursday, Friday, Saturday), at the hour of 11 o'clock a.m. for the purpose of:

(a) Considering and acting upon legislative proposals relating to state medicine likely to be introduced by certain groups in the coming session of the California Legislature; and

(b) Formulating and acting upon one or more statewide health service legislative proposals satisfactory to a majority of the membership of the C.M.A. House of Delegates; and

(c) Considering and determining the general policies of the California Medical Association at the forthcoming session of the Legislature with reference to legislation or public policy affecting or concerning medical practice in all its phases, payment for the cost of medical care, and all related matters.

Further Resolved, That George H. Kress, the Secretary of this Association, be and he is hereby directed to prepare a written notice setting forth the time and place of meeting and the purposes and objects thereof and transmit the same, signed by him and attested by the President, the Chairman of the Council, and the Speaker of the House of Delegates in the manner and within the time required by the Constitution of the Association.

SECRETARY'S NOTICE.—Pursuant to said resolution of the Council, you and each of you will hereby please take notice that a special meeting of the House of Delegates of the California Medical Association will be held at the Elks Temple, at 607 South Park View (Corner West 6th Street and Park View), in the City of Los Angeles, State of California, on the fourth, fifth, and sixth days of January, 1945, (Thursday, Friday, Saturday), at the hour of 11 o'clock a.m. of said days, and that the objects and purposes of said special meeting are those objects and purposes set forth in the resolution of the Council, above quoted.

The delegates and alternates who shall be eligible to be seated in the House at said special session shall be those delegates and alternates who were eligible to serve on the seventh day of May, 1944. (At the California Medical Association annual session at Los Angeles.)

(Signed) GEORGE H. KRESS,
Secretary of the California Medical Association.

Attest to Official Call:

LOWELL S. GOIN,
President of the California Medical Association.

E. VINCENT ASKEY,
Speaker of the House of Delegates of the California Medical Association.

PHILIP K. GILMAN,
Chairman of the Council of the California Medical Association.

San Francisco, December 13, 1944.

Warren Will Seek State Health Bill

Governor Favors Compulsory Plan of Employer-Employee Contributions

Sacramento, December 29.—Governor Warren today announced he will sponsor a measure at the coming session of the Legislature providing "prepaid medical care through a system of compulsory health insurance" for California citizens.

Enactment of this program would put California in the forefront among the States; none has such a plan.

The program would be financed by contributions by both employers and employees. A program of protection, likewise, would be arranged whereby self-employed and all other qualified residents of the State could, by making contributions, come under the program.

Conferences already have been held by the Governor with the council of the California Medical Association and the House of Delegates of that organization will act on the Governor's plan at a Los Angeles meeting January 4-6.

"I am not for State medicine," said the Governor, in making clear the difference between his proposal and any scheme to put the doctors on a State pay roll and "pay for the medical and hospital expenses of the people out of public funds."

Levy of 1½ Per Cent

"My information," he said, "is that we can do the job by a 1½ per cent contribution each from employee and employer."

Present health insurance systems which met the standards set up in the proposed State compulsory health insurance plan would not be interfered with.

The Governor said it "may be necessary for the State to stabilize the health insurance fund during the first biennium," while a backlog of contributions builds up.

Warren said there appear to be "1,500,000 persons who are medically substandard in California." He said 38 of every 100 Californians called up by selective service had been rejected "because of physical or mental defects."

Warren said he had become convinced that "voluntary health insurance systems will not work because everybody will not join."—Earl C. Behrens, in *Los Angeles Times*, of December 29, 1944.

State Health Bill

Governor Proposes Compulsory Insurance Plan for California

Sacramento, Dec. 29.—(U.P.)—Governor Earl Warren today announced he will submit to the California legislature meeting next month a plan of compulsory health insurance financed by a payroll tax on both employers and employees.

The Governor said the insurance plan would cover both contributors and their families and would provide for payment of costs of medical and hospital care. He said he believed the expenses for purchases of drugs and perhaps for basic dental care also should be included.

The plan probably can be financed by a 1½ per cent payroll tax on both employees and employers, Warren said, although he emphasized that the rate cannot yet be estimated exactly.

"I am not for State medicine," Warren said, "where doctors are put on the public payrolls and care is paid for from governmental funds. I don't believe in that system. . . . I do want to spread the cost of medical care by compulsory contribution of workers and industry, both of whom would be beneficiaries."

He pointed out that there have been attempts to set up health insurance plans in California for 30 years, culminating in the establishment of the California Physicians' Service in 1938, but that they had not been com-

pletely successful because they do not cover enough persons.

(A Statewide prepaid medical insurance plan for all workers covered by unemployment insurance is a major part of the California CIO legislative program, CIO Secretary Mervyn Rathborne said when asked to comment on the Governor's proposal. The CIO, Rathborne said, has prepared legislation along the lines recommended by Governor Warren for submission to the coming legislature. The State CIO executive board will meet January 11 to 14 in Oakland to put the finishing touches on their complete legislative program.)—Editor *People's World*.—*California People's World*, December 30, 1944.

Governor Warren to Ask Compulsory Health Insurance for State

Sacramento, Dec. 29.—(U.P.)—Governor Earl Warren today announced he will submit to the California Legislature meeting next month a plan of compulsory health insurance financed by a pay roll tax on both employers and employees.

The Governor said the insurance plan would cover both contributors and their families and would provide for payment of costs of medical and hospital care. He said he believed that expenses for purchases of drugs and perhaps for basic dental care also should be included.

The plan probably can be financed by a 1½ per cent pay roll tax on both employees and employers. Warren said, although he emphasized that now the rate cannot be estimated exactly.

Not State Medicine

"I am not for State medicine," Warren said, "where doctors are put on the public pay rolls and care is paid for from governmental funds. I don't believe in that system. . . . I do want to spread the cost of medical care by compulsory contribution of workers and industry, both of whom would be beneficiaries."

He pointed out that there have been attempts to set up health insurance plans in California for 30 years, culminating in the establishment of the California Physicians' Service in 1938, but that they had not been completely successful because they do not cover enough persons.

Pay Roll Tax

The pay roll tax, the Governor said, probably would be collected by the State Department of Employment, while the Department of Public Health would administer details of the plan with advice of a council representing employers, employees and physicians.

He emphasized that the plan would require setting of a scale of fees for different types of medical services. However, he declared it would "not change the relationship of doctor and patient and would provide for freedom of choice of physicians," he said.

"I'm convinced," Warren said, "that the time has arrived when we must in order to fill our obligations have such a system. We have talked about the matter in California for years. . . . But, we never have gone very far beyond the study and talk stage although we have known that adequate medical care and hospital service is beyond the reach of the average citizen."

Figures Cited

"Everybody has said for years that service is available only to the wealthy and the indigent, and there is considerable truth in the statement."

Citing figures of the State Selective Service System as showing a need for an improved health program, Warren said that of every 100 California men examined for induction into the armed services 38 have been

rejected on account of physical or mental deficiencies.

In all, he said that 374,000 men between the ages of 18 and 36 have been found defective. If the figure were projected, he said, it means that about 1,500,000 California residents are below standard in health.

Startling to Some

"I'm sure that there are many people who will be startled at the idea of compulsory health insurance," Warren said. "But there are always people startled at new things even when they have to be done."

The Governor said that it might be necessary for contributions to start some time before benefits can be inaugurated, or the State might guarantee the benefit fund during a trial period.

The coverage should be broader than present coverage of unemployment insurance, taking in self-employed and other groups, Warren said. He added that it might be wise, at least at first, to place a ceiling on the income level of persons covered in the plan.

Physicians, he said, could elect to give service under the plan and conform to a rate schedule or not, as they pleased.—*Stockton Record*, December 29.

Warren Urges Compulsory Health Plan

Sacramento, Dec. 29.—(I.N.S.)—A system of prepaid medical care through compulsory health insurance for Californians was recommended today by Governor Earl Warren.

The proposed health insurance would cover families of workers contributing to the fund as well as those paying the insurance, and, in addition, would take in groups not now covered by unemployment insurance, such as the self employed.

The Governor made his disclosure at a third in a series of news conferences designed to give a "preview" of the legislative program to be recommended to the 1945 session.

Governor Warren declared he was convinced the time has arrived when California must inaugurate such a system to raise the State's standard of health.

Contributions Plan

Warren said that he believed a "reasonably sound" program could be financed through compulsory contributions from wage earners and employers of 1½ per cent each.

In setting up such a system, the Governor added, he did not want to see State medicine, which he described as a system under which doctors are placed on the public payroll and medical care paid for out of public funds.

"I don't want to change the professional relationship of the doctor and patient," Warren explained. "I want freedom of choice to exist for both. But we do want to spread the cost of medical care by compulsory contributions of workers and industry, both of whom will be the direct beneficiaries of such assistance."

In citing the need for compulsory health insurance, the Governor estimated at least 1,500,000 Californians were in sub-standard health.

He based his estimate on recent reports of Selective Service headquarters, which showed that to date more than 374,000 youths between 18 and 36 have been rejected by the armed forces because of mental and physical deficiencies.

These figures of the draft rejections, Warren declared, present "an amazing and shocking story."

"I am sure," said the Governor, "that there will be a lot of people startled by the thought of compulsory health insurance, but I think we are always startled by doing new things even though we have known they were necessary."

Warren said there was a great need for such a system and in his opinion, "fear should not deter us from trying to inaugurate it."

Although admitting details of the proposal have not been worked out—and that these details generally would be worked out by the legislature—the Governor said it was probable most of the contributions would be collected through the State unemployment insurance system.

He said that probably the State Department of Public Health should administer the program through a separate division, with a State council on health insurance setting general policies.

This council should be made up, Warren said, of representatives of interested groups, such as workers, employers and the medical and dental professions. He added that the proposed health insurance program probably could well include basic dental care but just how extensive would be a problem to be worked out later.

Under the system, doctors would work on a fixed fee basis, with the patient free to choose his own doctor and hospital.

Declaring Governor Earl Warren's proposal for compulsory health insurance is "a matter of grave importance to the entire future of the medical profession," Dr. John W. Cline, chairman of the executive council of the California Medical Association, disclosed today a special meeting of the Association's House of Delegates has been called.

The meeting, covering January 4, 5 and 6, will be devoted to "discussing the Governor's and various other health plans, and it is possible that a specific plan will emerge from it," Dr. Cline said.

"It was our understanding," he said, "that the Governor wished the medical profession to promulgate a plan, and it is for that purpose, and for the purpose of discussing the entire field of medical insurance and possibly promulgating a plan, that the House of Delegates has been called into session."

"Approximately 150 delegates from the entire State will attend."—Robert C. Weakley, Staff Correspondent *International News*, in San Francisco *Call-Bulletin*, December 29, 1944.

Compulsory Health Service

Governor Warren strikes out boldly into a progressive but highly controversial field with his announced intention of submitting a compulsory health insurance plan to the forthcoming session of the Legislature.

No doubt he was encouraged to take the step by the growing favor of the medical profession for a modified brand of State medicine, following experience with the California Physicians' Service, a voluntary plan operated by the doctors themselves. In some respects this plan has worked well, but it has failed to attract a large enough representation of low-paid workers among its beneficiaries to be worthwhile as a broad social agency.

But also, the Governor's move doubtless was stimulated by knowledge that the CIO is determined to put through legislation for a Statewide system either by the 1945 Legislature or by popular vote at the next general election. The doctors, too, were quickened to action by fear that labor would achieve something more akin to actual State medicine than they desire.

Regardless, however, of the incentive or source, the proposal will meet with enthusiastic support in many quarters. Not until the plan actually is drafted and the details known can it be appraised, but the principle will be subscribed to by thousands of citizens who long have felt inequalities of the cost of medical care.

In effect it is a compulsory saving arrangement where-

by employer and employee will join in establishing a fund under State management from which medical expenses may be provided for workers and their families within a certain income group. Presumably it will cover about the same number as the present unemployment insurance, although the Governor suggests a larger coverage may be found desirable. Broadly the set-up and procedure will follow the unemployment compensation insurance practice, but with a liberalizing feature permitting beneficiaries to choose their own physicians, hospitals and other services. This avoids the medical profession's chief fear of State medicine—the creation of a body of State doctors on the public payroll. Physicians will be free to give service under the plan at established rates, or not, as they please.

Properly organized, with these provisions, the system should be no threat to the independence or earning ability of the medical profession. It would force workers to do what they ordinarily do not do—save money against the inevitable need for medical service. It would encourage them to seek medical service whereas now they avoid it on account of the expense. It would guarantee doctors full collection of their bills and probably yield them more income at lower rates per service rendered.

California has been a leader among the States in public welfare legislation. Its provisions for the aged, the blind, for indigent children, for tubercular sufferers, for injured industrial workers and for the unemployed have been more liberal than those of other States. Governor Warren is following the illustrious traditions of the State in proposing compulsory health insurance as the next step in California's enlightened social program.—Editorial in *San Francisco News*, December 30, 1944.

Governor Warren to Council Chairman Gilman

STATE OF CALIFORNIA

Governor's Office

Earl Warren, Governor

Sacramento (14), January 3, 1945.

Dr. Philip K. Gilman,
President-elect,
California Medical Association.

My dear Dr. Gilman:

The approaching session of the Legislature is so near at hand that it will be impossible for me to attend the meeting of the House of Delegates of the California Medical Association at Los Angeles, in accordance with the kind invitation of Dr. George Kress to address the gathering. I sincerely regret my inability to discuss the all-important problem of health insurance with those who are guiding the destiny of your profession, because I believe the time for constructive action on this subject has arrived.

We have been talking about it for many years, the first Health Insurance Commission in California having been established by the Legislature exactly thirty years ago. Since that time interested groups, including your Association, have advanced proposals in the State Legislature, but none of them progressed beyond the talking stage. It is my opinion that through the passage of years and the development of a finer special conscience, most people are agreed that if we are to raise the health standards of our people to a plane consistent with our hopes for the future, we must have a system of health insurance that will spread the cost of medical care over the lifetime of those protected through regular contributions by themselves and the industry which they support. Re-

cent surveys, including that conducted by your Association, have shown that the public is anxious and ready for action.

I believe that this realization has been crystallized by the startling and disappointing results of the Selective Service general physical examinations, which show that even in California, where we pride ourselves on our humanitarian institutions and our health standards, 38 out of every 100 boys examined were of necessity rejected because of physical or mental defects. Reduced to numbers, this means that 374,000 of what we generally consider to be the flower of the land, between the ages of 18 and 36, were rejected as unfit for service in the armed forces of our country. If we project this situation so as to include males who are in the younger and older groups, as well as to the other sex, the number of physically unfit becomes appalling. I believe most of us have hoped in years gone by that improved standards of living, new insurance practices, industrial health programs, etc., would permit us to have prepaid medical care on a voluntary basis. Many laudable programs have been initiated and chief among them is your own California Physicians' Service, but after more than six years of existence and with the blessing of your Association it has only enrolled something over 100,000 persons. To me and to many others, this means that such voluntary systems, desirable as they may be, cannot in and of themselves keep pace with public need and with the crying demands of our people. If this is true, it leaves but one alternative, and that is a system for prepaid medical care through Statewide health insurance.

In order to avoid misunderstanding, I would like to state what is not included, as well as what is included in this suggestion: First, I do not favor State medicine. By "State medicine," I mean the employment by the State of physicians to treat all persons, at public clinics or otherwise, at State expense. Second, I do not favor any plan which will destroy the professional relationship of physician and patient, or the right of choice of either in that relationship. Third, I do not favor political interference with the practice of medicine.

On the contrary, I want every person to have the right to select his own physician and every physician to have the right to treat whom he desires. I want medical practice to be left entirely uninhibited to pursue its present professional methods under a system whereby the cost of medical services for unemployed individuals and their families may be paid from a State fund to which they will contribute regularly. I am not committed to all the details of a plan, but I do want California to assume its full responsibility of maintaining proper health standards for all our people. I am hopeful that the details will be supplied by the interested groups, and particularly by your own which in my opinion rightfully is entitled to assume leadership in the solution of such an important problem of public health.

It was this belief that prompted me first to discuss the matter with you at Oak Knoll Hospital in November and then later with the Executive Committee of your Council at San Francisco. Needless to say, I was heartened by the fair reception which both you and your Council accorded the proposal.

The things that I believe should be incorporated in any such plan of health insurance are as follows:

1. A fund raised through payroll contributions payable in equal amounts by employers and by employees and collected wherever possible in the same manner as unemployment insurance contributions.
2. The administration of the fund to be by a medical director heading a division in the Department of Public Health.
3. The policies of the system to be formulated by a State board on which there should be representatives of

the medical and dental professions, of employers and employees.

4. The right of every person to choose his own physician or hospital, both of which are to be compensated on a fee basis as distinguished from a salary or capitation basis.

Here is an urgent need of the people of the State of California. No group is more vitally concerned than the medical profession. No group is more called on to find its solution. No group is better qualified to evolve a plan to meet the problem. I sincerely hope that as President-elect of your Association you will join with me in seeking the coöperation of the medical profession in working out the plan for which the people of our State are calling.

With best wishes, I am

Sincerely,

(Signed) EARL WARREN, *Governor.*

Health Insurance on Way, Union Leaders Tell Doctors

Regimentation Seen If Medical Men Don't Step In

Directing a message to the 10,000 licensed physicians in California, Eugene Boyd, an A.F.L. representative at a California Medical Association meeting here yesterday, advised them that if they wish to preserve "personal initiative" in medical practice they had better get out quick and fight for it.

"If the medical profession does not step in, it certainly will be regimented—make no mistake about that!" Boyd, a building trades union leader, told the doctors. He had been invited to address the meeting, specially called to consider current campaigns to set up State compulsory health insurance. He told the medical men that regardless of the name under which compulsory health insurance is put forth, "it is still socialized medicine."

Other Speakers

Boyd was the first speaker after Albee Slade and Mervyn Rathbone, State C.I.O. leaders, had explained the \$250,000,000 compulsory health insurance plan which the C.I.O. hopes to have the coming Legislature set up.

A.F.L. Views

The A.F.L. man made it plain that A.F.L. leaders believe the time is here to provide far more medical care than generally is available, especially to persons of moderate or low income. He told of a vast but somewhat nebulous Federal plan for health insurance that is being promoted, said Gov. Warren has been studying this, and that the California A.F.L. is awaiting further moves in that direction by the Governor. He expressed the hope that the association will provide the leadership for what is to come along this line.

C.I.O. Ideas Outlined

Slade principally outlined the C.I.O. plan for compulsory health insurance. He said it is not socialized medicine and that the C.I.O. opposes socialized medicine. He offered it with a solicitation of help from the association, which had invited the C.I.O. to expound the plan to the doctors.

As understood by some of the doctors who have studied the C.I.O. plan, it would levy a new tax on a worker's income up to \$5,000, another new one on an employer's pay roll and would draw on taxpayers in general for funds to finance the system. The public would pay the tax for the poor.

An extensive network of selected union men, employers and so-called "public representatives" and doctors would be set up to cover the State with administration machinery on a detailed scale.

"Free" medical care in homes and in hospitals would then be provided for eligibles. Doctors would receive their pay from the State.

Service for 6,000,000 California Citizens

Slade estimated that the "free" service would be extended to approximately 6,000,000 California residents to begin with and would provide "medical service on the basis of need instead of on ability to pay."

"Gov. Warren has found that health insurance is politically and socially the order of the day," Slade told the doctors.

Farm Bureaus

Von T. Ellsworth of the California Farm Bureau Federation, another invited speaker, told the doctors that "the time for action has arrived." He said he does not believe that voluntary health insurance has yet had a fair trial in this State. He spoke against compulsion and for extended medical facilities to persons not now procuring it, especially because of its high cost. Ellsworth believes some of the new social forces now at work are "going too fast." He wants further development of a voluntary plan.

State Board of Public Health

State Health Director Wilton Halverson referred to the Federal health care program promoted in Congress and warned:

"None of us believe that a medical program operated from the Federal level can ever give the best care. The leaders of the profession must do their best to develop a program to meet the social needs of the people but they must not be tied down with governmental red tape."

Throughout the day, various resolutions and proposals were discussed by the doctors, numbering some 200, and today they are to arrive at an association policy on the subject. Sessions are in the Elks Club.—Los Angeles *Times*, Saturday, January 6, 1945.

Resolutions Adopted by the C.M.A. House of Delegates on January 7, 1945, at the Special Session of the House of Delegates.

(COPY)

(Copy of the Foreword and Resolutions adopted by the House of Delegates of the California Medical Association, in special session in Los Angeles on January 4, 5, and 6, 1945.)

* * *

Los Angeles, January 7, 1945.

To the House of Delegates of the California Medical Association:

Your Resolutions Committee submitted a preliminary report at yesterday's meeting (January 5, 1945) and it will be assumed that the members of the House have in mind the general tenor of that report. At yesterday afternoon's session, twenty (20) resolutions were presented, in addition to those previously submitted, and all these your Committee had to consider between last evening's hour of adjournment and this morning's meeting, which was scheduled to begin at 9:00 A.M. Your Resolutions Committee remained in session until after one o'clock this morning, and it now submits to you this supplemental report.

Before proceeding with consideration of specific resolutions we believe it advisable, briefly to review the immediate circumstances leading up to this special meeting of the House of Delegates of the California Medical Association, so that the House may bear in mind one fundamental point, which is, that the House must give a specific answer to a specific question.

Early in December, 1944, His Excellency, Governor Earl Warren conferred with the officers and councilors of the California Medical Association and stated to them in substance that he favored and urged the establishment by law of a system for the distribution of the costs of medical care, to be financed, if necessary, through new and additional pay roll taxes. Governor Warren stated that he had an open mind as to the details of any such system. He requested the California Medical Association to inform him of the type of tax-financed medical care plan, if any, that the Association would approve.

Subsequently, officers and members of the Association have held informal conferences with representatives of organized labor and a representative of the California Farm Bureau. Representatives of labor and a representative of the Farm Bureau have appeared before the Council and before the delegates at this special meeting of the House of Delegates. The Governor of the State of California has asked of us a question. We must now proceed to answer it.

Most of the resolutions submitted by members of the House and considered by the Committee contain various answers to the Governor's inquiry. Your Committee felt that to consider each resolution separately would involve both duplication and unnecessary prolongation of this special three-day session. Therefore, your Committee has prepared a substitute resolution containing a specific answer to the question that has been propounded to the Association. The resolution proposes a plan for State assistance in the solution of the problem of the distribution of the costs of medical care, but it does not contain any acceptance, direct or indirect, of the basic provisions of any known compulsory health insurance system.

Your Committee recommends that this House of Delegates express its appreciation of the sincerity of purpose of the Governor, and the representatives of labor and of agriculture in their proposals looking toward a solution of the problems before us. We recognize with gratification that an important forward step has been taken in the furtherance of mutual understanding and coöperation between the California Medical Association and the leaders of the public its members serve. It is our earnest desire to seek the continued advice and coöperation of all parties having interests in the solution of our mutual problems.

Your Committee now submits the following resolution:

Resolved, That the California Medical Association is of the firm conviction that no fundamental and revolutionary change in the practice of medicine should be made under present wartime conditions. If disruption occurs in the rendering of medical service, the result can well be a catastrophe for the people of the State. That major disruption would occur if health insurance were made compulsory by the State is self-evident, regardless of approval or disapproval by the doctors of a new system in principle. This is true for two reasons: The doctors remaining in civilian practice, after over 3,000 or approximately one-third have gone into military service are barely able now to provide medical service for a greatly expanded population and greatly expanded industry and they do it by working to or beyond the limit of sustained endurance. If, now, they are forced to go through a period of change to a new and unfamiliar system of practice, medical service to the people will break down. This is not theory. We know from experience with California Physicians' Service that the process of educating doctors and patients, to say nothing of administrators, to operate under an unfamiliar system is not accomplished overnight.

Furthermore, from experience of California Physicians' Service, in the War Housing projects where a full coverage plan was in operation, it was found that

the demand for service was vastly increased under a complete prepayment system—in fact as much as doubled. Without arguing how much increased service is or is not desirable, the plain fact is that the doctors are doing all they can now and a large increase in demand for service will with absolute certainty break down medical care in California; and be it further

Resolved, That the California Medical Association cannot endorse any system of compulsory health insurance which has thus far come to its attention; and be it further

Resolved, That the California Medical Association is equally convinced that there is an existing problem with respect to the distribution of the costs of health services and therefore, its position with respect to such problems must continue to be a positive and progressive one; and be it further

Resolved, That as such a positive and progressive step toward the ultimate solution of the problem, the House of Delegates of the California Medical Association hereby proposes the following program which it believes to be both desirable and feasible under all existing circumstances:

(a) An increase in the benefits of the California Unemployment Insurance Act, without increasing pay roll taxes, to provide cash indemnities to wage earners when ill or injured through non-industrial causes. Such cash indemnities would be primarily used for the payment in whole or in part of incurred hospitalization costs. This proposal is feasible because the present California Unemployment benefits and the estimated cost of adding cash indemnities can well be financed within the existing unemployment tax structure.

(b) The California Medical Association is wholeheartedly in favor of the principle of distribution of the costs of medical care by means of prepayment, and its sincerity in this regard is evidenced by its expenditure of no inconsiderable money and effort for the development of California Physicians' Service, and that California Physicians' Service has been offering to the public a statewide, nonprofit prepayment plan for the past five and a half years.

The California Medical Association respectfully insists that it is not an informed statement to characterize California Physicians' Service as a "failure because it covers only about 125,000 people." A brief review of its enrollment experience presents a fairer picture of its present status and future prospects. After its administrative organization was ready to operate in 1939, it took three weeks to enroll the first ten members. Rate of enrollment in its first four years averaged about 1,000 per month. Now, with its more advanced "seasoning," with improvement in compensation to doctors, with better public knowledge of and confidence in it, rate of enrollment of new members has risen to approximately 12,000 per month in the last four months of 1944. If it is fair to judge the future by past experience, California Physicians' Service is, just at this time, entering upon a period of very rapidly increasing expansion.

The California Medical Association respectfully insists that instead of characterizing California Physicians' Service as a failure because it covers as yet an insufficient number of people, the State Government, Management, Labor and Agriculture should implement and assist California Physicians' Service to attain its objectives.

Such assistance could well be a reduction of the employees' portion of the California Unemployment tax for those employees who have joined California Physicians' Service or any other equivalent service. To illustrate this proposal—under it, an employee enrolling in California Physicians' Service (or in one of the Blue Cross Plans) would have a smaller sum deducted from

his pay check each month than he would if he failed to join. The amount of this reduction would be small, but its smallness is not important because the existence of any incentive will unquestionably act as a tremendous aid to the growth of voluntary non-profit plans. It may be claimed that this cannot be done without increasing existing taxes. Therefore, the following information is of importance. The present California Unemployment Tax consists of 3.7 per cent of all payrolls, 2.7 per cent paid by the employer, 1 per cent paid by the employee. This tax fund is collected under the present law for the sole purpose of paying cash benefits to people unemployed through loss of work. Since the inception of the California Unemployment system, the benefits paid out have been less than 1/3 of the amount of the taxes collected. Even in pre-war years the benefits paid out averaged not over half the taxes collected. Therefore it is apparent that a tax reduction to encourage medical coverage can be added to the Unemployment Act without jeopardizing the solvency of the fund and without adding to the tax burden. California is in an advantageous position in this regard because it is one of the few states that impose a 1 per cent unemployment tax on employees in addition to the 2.7 per cent employers' tax. It is this 1 per cent which has resulted in the California fund becoming extremely large and further results in the feasibility of our suggested plan. For instance, the present surplus is \$621,708,167.89.

(c) A more rigid enforcement by the State of the various existing disease preventive measures and other public health laws should be undertaken. By this means, already at the command of the State, great strides can be made toward the reduction of the incidence of illness and disease. It must not be forgotten that all reductions in the incidence of illness decrease the cost of medical care. Better enforcement of existing preventive measures relating to tuberculosis, contagious diseases and, specifically, venereal diseases would reduce the incidence of these diseases and illustrate this point; and be it further

Resolved, That recent proposals to establish some form of compulsory health insurance in this State have come at the last minute without any opportunity for adequate consideration and planning by any of the many interested groups or sufficient time for interchange of opinions and knowledge. Very considerable progress has been made in defining objectives in recent meetings between representatives of the medical profession with the Governor and other groups, and it is the belief of your committee that such meetings and further exchange of ideas should be undertaken immediately, and continued until a definite conclusion has been reached.

I move the adoption of this resolution as a whole.

• • •

It is further suggested that the California Medical Association specifically and immediately invite representatives of the Government of the State of California, representatives of business and management interests, representatives of Labor, representatives of agricultural organizations, representatives of the dental profession, representatives of hospitals, and representatives of allied medical groups to joint conferences for the purpose of arriving at a complete and comprehensive plan to cover the entire problem of health service in California.

I move the adoption of this section of the Committees' report.

• • •

During the deliberations of the Committee, and from the study of the resolutions submitted, the Committee has formulated certain basic principles that are inherent in the success of every prepayment plan of health serv-

ice. These principles are fundamental. They may be enumerated as follows:

1. Absolute freedom of choice of physicians by the patient must be guaranteed;
2. Payments for service rendered must be on the basis of fee for service as opposed to capitation, in payment of the physician.
3. Unhampered medical control of all professional service.

I move the adoption of this section of the committees' report.

Committee on Resolutions

by

Howard W. Bosworth, M.D., Los Angeles, Chairman.
 Jay J. Crane, M.D., Los Angeles.
 G. D. Delprat, M.D., San Francisco.
 Walter Beckh, M.D., San Francisco.
 Dwight H. Murray, M.D., Napa.

Health for All

Governor Earl Warren was tired of hearing Californians talk about the public health problem. He was tired of that old saying that "medical care and hospital services are available only to the wealthy or the indigent." He whipped up a plan which he announced last week he would present, with pressure, to the next Legislature.

The plan: All employed Californians (and eventually, their families) would be covered by compulsory health insurance which would be financed by docking 1½ per cent of their checks each pay day. Another 1½ per cent would be contributed by their employers.

Such little details as whether or not to fix price ceilings on medical services would have to be worked out by medical men and legislators, but the Governor was certain of one thing: His plan would leave patients free to choose their physicians and physicians free to practice where they please.

If the Governor's plan should be adopted—and health officials were speaking kindly of it last week—California would be the first State in the Union to make health insurance compulsory.—San Francisco *Chronicle*, January 7, 1945.

War Tosses Us a Challenge, Warren Tells Legislators

Sacramento, Jan. 8.—Here is the condensed text of Governor Warren's message to the 1945 Legislature:

I welcome you to Sacramento. In these trying times we can together do a better job for the people of our State than I can possibly do alone. . . .

We meet as representatives of a people who are conscious of the disruptions, the distortions, the congestions and the sorrows of three long years of war. They look to us for a steadying influence. . . . In the midst of these terrible strains, and they will of necessity increase, the people have the right to look to us for prompt decision in all matters concerned with the war effort.

They have the right to expect us to plan that our war-produced aggravations do not take permanent root. They expect us to start cutting away the handicaps to social and economic progress in the days of peace to come. . . .

There is much for us to do. There are many fields for us to plow together—fields that will produce rich crops of human betterment for our people—fields that are not in the zone of partisanship, but which are the common concern of all men. . . .

Government Is Sound

It is in this spirit, as well as in accordance with the Constitution, that I report on the condition of your State, the status of its Government and the needs of our people.

First, I report to you that your Government is sound

—sound in finances, in integrity and in conformation to the spirit and the policies established by your honorable body. . . .

Prepaid Medical Service

For many years California has been courageous in its undertakings in the field of humanitarian service to her citizens. Thirty years ago we started a movement for health insurance. It is now generally agreed that we cannot bring proper standards of health to the people of every community through voluntary programs. In spite of all our haphazard efforts, the only people who are certain of receiving adequate medical attention today are those who are wealthy, and those who are indigent and forced to accept charity. The great mass of our people are unable to pay for proper medical care when adversity strikes.

But it remained for the Selective Service to demonstrate the sordid results of neglected health. Even in California, 38 out of every 100 of our boys who were called to the service of their country were rejected because of physical and mental defects. In figures this adds up to 374,000. The total cost of the continuance of these defects and illnesses to our State is enormous. Everyone must be concerned. The fact is that most of these defects could have been prevented or cured by adequate and timely medical care.

It is my recommendation that you take action at this session of the Legislature on a program which will bring adequate medical care to the people of our State on a prepaid basis. It is my suggestion that this be accomplished by building a fund, through payroll deductions from both employer and employee, from which the costs of medical care can be financed. Such a program will pay dividends to everyone.

In our efforts to build an enlightened program, I believe we must make certain, both for the advancement of medical science and for the best interests of our citizenry, that the professional relationship of doctor and patient be a matter of free choice. We do not want to put the medical profession on the public payroll. We do not want to deprive the individual of the right to select his own physician. Our major purpose should be to spread the cost of medical care among all the people of the State.

There is no state in the Union better able to undertake such a humanitarian program than California. I am convinced that if we are to keep abreast of needs in the services which we afford our people, we must start on this program immediately. . . . *San Francisco News*, January 8, 1945.

Governor's Compulsory Health Insurance Bill

By Earl C. Behrens, Political Editor, *The Chronicle*

Sacramento, Jan. 10.—The Governor's bill for prepaid medical care under a compulsory health insurance system will be the No. 1 measure on the Warren program at this session.

A bitter controversy is brewing over the bill and efforts may be made to sidetrack it in legislative committees.

Warren told newsmen he and his staff worked late last night on the details of the measure. . . .

The Action Stage

The Governor will ask that there be no delays nor any more study committees on the health insurance program but that a bill be enacted at the 1945 session. He said today "we are in the action stage" and "we've been studying the subject for 30 years."

Warren said any further delays "would defeat the purpose of health insurance."

To date the Governor officially has received no help from the California Medical Association although individual leaders of that organization have discussed the program with the Governor.

"The bill will incorporate all elements of health insurance and I know of no reason why the Legislature cannot arrive at some judgment on it at this session," Warren said.

Worker's Indemnities

He said the suggestion from the House of Delegates of the State Medical Association that a system of worker's indemnities in case of illness be substituted for a complete health insurance program would not be sufficient.

Warren cited California's leadership in progressive legislation. "This program is in keeping with California's liberalism," he said.

The Governor said he was awaiting appointment of the members of the committees in the Senate and Assembly before making a choice of the members who will be asked to handle the health insurance legislation. The chairman of the committee handling public health may be asked to steer the Warren proposal. . . . —*San Francisco Chronicle*, January 11.

(COPY)

The Governor's Legislative Program

Information Bulletin: Merchants and Manufacturers Association for Better Employment Relations

January 10, 1945.

In his legislative program sent to the Legislature by Governor Warren were included the following, which directly or indirectly concern labor relations:

(1) A compulsory payroll tax on employers and employees of 1½ per cent, to be collected and disbursed by the State to provide medical and hospital service, apparently, according to the press reports, available for all our people. There will be a limitation upon the amount of individual pay to be so taxed, but that is not yet named.

Until the Governor's measure is actually introduced it cannot be properly appraised. But in the meantime, thought can be given to these inquiries.

(a) What factual demonstration has been made as to the benefits apt to be derived from this compulsory contribution? In a previous statement it was said that the draft showed a great many young men physically below par. That is true, but how many of these men would have been made physically fit by this proposed compulsory tax-pay medical system? How much of the unfitness was due to the people exercising their individual freedom, careless of their own physical welfare, and who would not seek or follow medical advice?

(b) Why should the employer be singled out to contribute to the welfare of the whole community without any definite assurance of benefit to him? Why should employees, as such, be taxed without their consent for the community benefit and without assurance as to any individual need, or individual willingness to make such contribution?

(c) No assurance is given that any such contributions can be deducted from the Federal income tax, the present provision of the law being that only amounts paid out for medical and hospital service in excess of 5 per cent can be so deducted. How much then will an employer, for example, who is now in the high-income brackets, have to pay out of what is left of his net profit?—especially if his payroll is half or more of his total operating expenses? How about the employee who earns say \$2,500 per year and who will be obliged to contribute \$37.50? What is his view as to the necessity for such contribution as against a possible benefit during that year?

(d) What will be the cost of administration by the State? What will be the procedure under which doctors and hospitals will get their pay? How and when? To what extent will their bills be subject to audit and other control by a State bureau?

(e) A very great many employers in this State already have long-established medical and hospital service with the coöperation of the employees, and developed through many years of experience. These voluntary associations are operating satisfactorily, and giving service to a very large number of people, running probably into the hundreds of thousands. What will be the effect upon them? The doctors have also established medical and hospital services on a voluntary insurance basis. Will these be disrupted? What will be the effect upon the *usefulness* of the physician? The hospital? Cannot these *voluntary* efforts be encouraged and increased?

(f) What safeguards are to be placed around this fund rising from compulsory taxation, with respect to its expenditure? Any limits on the individual demand? What will constitute eligibility for benefits? Is it to be upon a pay-as-you-go basis, or represent another "reserve" appropriation of taxpayers' money as against an undetermined need?

(g) It is hardly necessary to suggest in this connection that the present war measures of taxation cannot be permanently borne by our people. History has demonstrated that conclusion. They must be revised downward after the war. Is it wise then to add say \$200,000,000 annually to that burden in this State at this time without knowledge of our postwar tax problems?—arising out of needs imperative in nature?

These are questions for you to consider and wherever practicable to ask your employees to consider. Then, the most important question of all—the very broad question of *how far* the State should go in making attempt to provide for the individual welfare of all its citizens through taxation either of certain classes, as in this instance, or of all. There are many ills that flesh is heir to; but can they be remedied by taxation? Where is State dependence to be substituted for individual self-dependence?

Then there is the final, as yet unanswerable, question—what will be the further call upon our incomes to win the World War? Whatever the merits of any new measures for using the taxpayers' money may be, is it not wise to defer them until we have victory and with it some measure of our postwar problems?

If these questions be bluntly put, it is with the hope that your thought individually may be aroused—and your conclusions aid in getting informed action.

(2) The other measures include extension of maximum unemployment insurance from 23 to 26 weeks, reduction of the waiting period before such payments begin from 2 weeks to 1 week, extension of the coverage of unemployment insurance to all employees, and other suggestions that do not directly relate to labor relations.

You will be promptly advised as to all proposed legislation affecting labor relations as fast as copies of such measures are available.

Medical Care

Whether Governor Warren's suggestion to the Legislature for a public medical care program opens the door to "State medicine" depends largely on the attitude of the medical profession.

Sooner or later there is going to be some sort of public program to provide medical care to the large majority of the population neither affluent enough to pay for the best nor indigent and so entitled to free care.

It can be guided by the medical profession so as to

preserve the desirable relation of doctor and patient and protect the interests of both. If the medical profession shuns it, politicians will do the job and, as usually, with less satisfactory results. One of these will be "State medicine." Some other points in the Governor's suggestion, which he does not state arbitrarily, may be open to debate. The first and most important point is what the doctors will do about it.—Editorial in *San Francisco Chronicle*, January 10, 1945.

Health Insurance Bill Pressed By Warren

By R. W. Jimerson

Examiner Bureau, Sacramento, Jan. 10.—The assembly today voted unanimously to continue the \$50 monthly old age pension on a permanent basis and at the same time moved to investigate pension advocates and promoters with particular emphasis on the collection of funds.

Meanwhile, Governor Earl Warren declared that passage of a compulsory health insurance bill is "one of the main orders of business" in his office, and that he knows of "no reason why the legislature cannot arrive at a sound decision this session." . . . Meanwhile, Governor Warren left no doubt that he will fight vigorously for enactment of a health insurance program, and similarly made it clear that he will urge adoption of a rounded plan, without compromising basic principles.

He said the compulsory health insurance bill is now being drafted in his office, that he and his secretaries worked on it until after midnight this morning, and that the mechanics of prepaid medical care are "very complicated."

Deduction Program

The Governor wants health insurance financed by payroll deductions applicable to both employers and employees, with no strings attached. Every member of the family will be covered if the legislature takes the Warren program.

The house of delegates of the California Medical Association has declined to endorse the Governor's proposal. Many Republican legislators do not view compulsory health insurance with favor, either, but they are reluctant, at the same time, to oppose Warren, particularly as Democratic members are gleefully espousing the program. Also watching results is the CIO, which plans to present its own health program as an initiative measure at the 1946 general election, if Warren's bill fails to carry at this session.

Whatever the fate of his bill, Warren indicated he will not condone any stalling for time.

He said he could not tell who would handle the various administration bills until the committees are appointed, but added that he planned to confer with committee heads of each house as soon as appointments are made.—*San Francisco Examiner*, January 11.

Press Release from California Medical Association

San Francisco, January 11, 1945.—California's doctors are ready to give Governor Warren any requested assistance in writing his proposed health insurance bill despite the fact that the doctors have officially gone on record as being opposed to the compulsory system which the Governor has announced.

That statement was made here today by Dr. Philip K. Gilman, chairman of the Council and president-elect of the California Medical Association.

"The Governor has not requested the California Medical Association to give him any help on his proposed bill," Dr. Gilman said, "but the Association is ready and willing to supply any technical details which

the Governor may request. Through our experience of the past six years with California Physicians' Service we have accumulated a mass of actuarial data which we will be glad to lay in the proper hands upon request. It is doubtful if material of such value could be assembled from any other source in the country.

"If the Governor wants this material, all he need do is ask for it. However, this does not mean that the California Medical Association is acting as co-sponsor for any plan which might be evolved from the use of such facts and figures as we may be able to furnish. The House of Delegates of the California Medical Association has gone on record officially as opposing any compulsory health insurance plan which has so far been presented to it, including the outline of Governor Warren's plan as announced in the press and as given directly by the Governor to the Council of the Association."

Dr. Gilman detailed some of the reasons why the medical association is against a compulsory health insurance plan at this time, laying particular stress on the manpower shortage and the impracticability of setting up such a system under wartime conditions.

"The Californai Medical Association went on record in 1938," he said, "as favoring a system of health insurance. That was when California Physicians' Service was organized. This service has only recently emerged from the statistical study period encountered at the outset and has gained the knowledge of how a widespread health insurance plan can be operated with satisfaction to both the patient and the doctor.

"If we now attempt to extend such practices to a compulsory health insurance system and saddle the doctors and the patients with a new set of regulations and further payroll deductions, we are facing an immediate breakdown of the entire system of medical care in California.

"In the first place, there is grave doubt that sufficient manpower could be found to staff the administrative offices necessary in a Statewide compulsory plan. In the second place—and this is where the doctors are directly concerned—there are certainly not enough doctors in California to handle the additional medical work which would be thrown upon their shoulders if such a plan were instituted.

"The doctors of California and of all other states are working at top speed today. The death rate among the physicians is climbing because of overwork, long hours and the attempt to care for all cases which really demand attention.

"Now the Federal Government is talking about drafting nurses and thus cutting off one of the mainstays of the doctors' offices. The burden in doctors' offices is already too great and any compulsory health insurance plan which is added on the top of the present medical structure can only bring a collapse.

"The California Medical Association has offered an alternate solution for immediate adoption. It has suggested that workers who are out of employment because of illness be granted unemployment benefits from present unemployment funds. Such benefits would help to ease the burdens of loss of income, and medical and hospital expenses for the employed person.

"At the same time, the California Medical Association has gone on record as recognizing that a problem exists in the distribution of medical care and has suggested that a joint committee of physicians, dentists, labor, management, government, agriculture, hospitals and others be established immediately for the purpose of conferring on a complete and comprehensive plan to cover the entire problem of health service in California. Invitations to all groups concerned will be issued by the California

Medical Association within the next few days for a joint meeting to be held, if possible, within the next two weeks."

Aid in Health Plan Offered

Doctors Ready to Help Write Insurance Bill

The doctors of California are ready to give Governor Warren "any requested assistance" in writing his proposed health insurance bill despite the fact that the doctors have officially gone on record as opposed to the plan, it was announced here yesterday by Dr. Philip K. Gilman, president-elect of the California Medical Association.

Pointing out that "the Governor has not requested the association to give him help on his proposed bill," Dr. Gilman said the association nevertheless "is ready and willing to supply any technical details which the Governor may request."

Doctor Gilman offered "a mass of actuarial data" accumulated "through our experience of the past six years with California Physicians' Service." The Governor can have the material, Doctor Gilman said, although "this does not mean that the association is acting as co-sponsor for any plan which might be evolved from the use of such facts and figures as we may be able to furnish."

Doctor Gilman detailed reasons why the association is against a compulsory insurance plan at this time, laying particular stress on the manpower shortage and "the impracticability of setting up such a system under wartime conditions."—San Francisco *Examiner*, January 12.

Doctors Can Help

It is encouraging to note the gesture of the California Medical Association in offering to assist Governor Warren and the Legislature in their study of the subject of compulsory health insurance. The medical profession can supply much information of value in connection with this matter.

Also, the Association's plan to hold a joint meeting of doctors, labor representatives, business management leaders and Government officials, including legislators, for thorough discussion of the subject should prove helpful.

In view of the recent recommendations of the Association's committee against compulsory health insurance, we assume the purpose sought to be achieved is education of these groups to oppose the plan. That is a perfectly legitimate way to proceed.

However, we wonder if the doctors may not by the same process, receive some education themselves that will open their eyes to the necessity and, perhaps, the wisdom of setting up a Statewide plan of medical care that will benefit everybody.

We hope their minds are open to this conviction, as they no doubt hope the minds of the people generally are to their point of view.

In his message Governor Warren said we have had plenty of studies and surveys, now the time has come for action. When last the issue became critical the medical profession met it by organizing the California Physicians' Service. But that plan has scarcely scratched the surface of the need. If, then, the profession is determined to defeat the governor's plan, it must come forward with something better. Failing that, we believe the doctors should truly coöperate to help work out a State plan that will be beneficial to the people and at the same time fair to the medical profession.

By its offer to participate in the Legislature's study, the California Medical Association has started in the right direction.—Editorial in San Francisco *News*, January 13, 1945.

Governor Warren Bares Details of Prepaid Medical Care Plan

Bills to Be Introduced Friday; Governor Admits Many Questions Unanswered

Examiner Bureau, Sacramento, Jan. 14.—First specific details of the proposal which is expected to develop the hottest fight of the 1945 session—prepaid medical care or "compulsory insurance"—were revealed today by Governor Earl Warren in advance of the anticipated introduction of the bill itself not later than Friday.

The Governor repeatedly has declared that he ranks his recommendation for prepaid medical care among the major issues in his 1945 program. He said the bill would be introduced simultaneously in both houses.

Assemblyman Albert C. Wollenberg, Administration leader and chairman of the Ways and Means Committee, will handle it in the lower house, and Senator Byrl Salsman in the Senate.

Highlights Outlined

Highlights of the program as outlined by Warren, based on the assumption that the legislature will accept the bill as drawn, include:

1. The system will go into effect at the beginning of 1947, with payroll deductions beginning six months earlier to build up a fund.

2. Payroll deductions will be 1½ per cent, taken from both employer and employee, against a maximum of \$4,000 salary yearly. (Unemployment insurance taxes are assessed against the first \$3,000.)

3. Contributions are expected to be deductible from both Federal and State income taxes.

4. Everyone covered by unemployment insurance will go into the prepaid medical care system automatically, and those not covered—the self-employed and farm laborers, for example—will be encouraged to come in on a voluntary basis. Everyone in the family of the worker will be entitled to medical care, not merely the member from whose check the contribution is taken.

5. Service will be on a "fixed fee" basis—so much per call at home or office, so much for various types of treatment, and so on through minor and major operations.

6. Hospital charges will be included in the benefits under the system.

7. Industries having their own private medical care or hospitalization programs, either with or without employee contributions, will be given an opportunity to come in to the State system.

Repeatedly in his long conference with newsmen today, Warren asserted that there is no intent to regiment the medical profession, or force the public to accept a single type of service.

Ceiling on Charges

While the fee system will be used, he said, rather than the capitation system which gives the doctor a fixed amount per month or year for each patient cared for, the "ceiling" on charges applies only when the service is paid for from the State fund.

In other words, wealthy persons could pay higher fees if they so desired, but no part of the fee, in such cases, could come from State funds.

"If a man is in the fund," Warren said, "and has so much money he does not want the same standard of care the average citizen gets, he can pay the doctor anything he pleases but he can make no claim in such case against the fund.

"The doctor cannot charge him \$50 for a service carrying a \$20 scheduled fee, collecting \$20 from the fund and the remaining \$30 from the patient. We don't want to mix the two.

"There may be some doctors who won't want to come into the system, who will want to continue treating only

wealthy patients. That is perfectly all right with us. The same thing applies to certain hospitals which may prefer to remain outside the system, providing for wealthy patients.

Doctor's Choice

"The point we make is that when a doctor is operating under the State fund, he may collect only the fee provided in the fund. Otherwise there would be a tendency to drive standards down—to make people believe that State service is not adequate, and that by paying a little more, they could be better cared for."

Doctors need not "elect," however, to practice under the State system. They may have patients whose bills are defrayed by the fund, and other patients who prefer to pay heavier charges in the hope of getting superior medical service.

"We don't want to prevent doctors from having any type of practice they are entitled to," Warren said.

The "fee" system was preferred, Warren said, because of its greater efficiency in bringing the work of specialists into the system. The capitation system, however, will be proposed in amendments to be submitted by those favoring that plan.

The Governor explained that "we must have the fee system anyhow, for specialists, and we also need it to incorporate the services of dentists in the plan. Some services such as oral surgery are common to both professions."

Limited Dentistry

"While tooth pulling and more difficult types of oral surgery practiced by dentists will be included in the program," Warren indicated that tooth filling and denture making will not.

Questions too numerous to recount remain to be settled, Warren conceded. Many of them will be dumped into the lap of the administrative agency set up to direct the State's venture into compulsory health insurance. Others cannot be settled until experience provides the answer.

Among these questions are: Shall there be a waiting period before a migrant from outside California becomes eligible?

Shall a contributor to the fund, who has never drawn upon it for medical care, receive his money back when he leaves the State?

Shall the State make special provisions for the immediate admission of former servicemen and women into the system?

What can be done to prevent thousands of individuals from demanding immediate relief for their accumulated, long untreated ills as soon as the State system takes effect, which has been a major problem faced by many private and semipublic systems?

Warren ended a two hour "seminar" for newsmen by expressing the conviction that employers will benefit financially by the system—that they will reap rewards in increased efficiency and production when employees are healthy, and are relieved of worry over the health of their families.—R. W. Jimerson, in San Francisco Examiner, Monday, January 15, 1945.

California Health Insurance Program

Payments Under Warren's Plan Will Start in 1946, Benefits to Begin in 1947

Sacramento, Jan. 14.—Collections from employers and employees and others to finance Governor Warren's pro-

posed health insurance program will begin in 1946 and payment of benefits will commence January 1, 1947.

The Governor announced these facts today in making public for the first time some of the important provisions tentatively agreed upon for inclusion in the Warren "pre-paid medical under a compulsory health insurance system" bill to be presented to the legislature this week.

The program will include medical, dental and hospital care to those contributing to the system and to members of their families.

Bill to Be Introduced

"We hope to introduce our bill in both houses of the Legislature the latter part of the week," said the Governor.

Senator Byrl R. Salsman, Palo Alto, and Assemblyman Albert C. Wollenberg, San Francisco, will handle the legislation in their respective Houses.

Governor Warren said many important points are yet to be settled in connection with the final draft of his bill.

The following broad principles have been agreed upon:

1. Cost of health insurance will be met by a payroll contribution of 1½ per cent by both employer and employee or 3 per cent by a self-employer or other person who wishes to join the system.
2. Inclusion of all persons currently under unemployment insurance but with the tax applying only on the first \$4,000 of annual income.
3. Payment of doctors and dentists on a fee basis with fees varying for different types of service.
4. Permitting continuation of existing voluntary health insurance programs where they meet State standards, but requiring payroll deductions for the State fund, regardless of any payments to the private fund.
5. Complete freedom of choice between patient and doctor.
6. Fixing of a "ceiling" only on medical fees that are paid out of the State fund.
7. Contributors to the State system who desired to pay doctors higher fees than those allowed by the State program would not be entitled to receive any portion of those higher fees from the fund.

No Side Agreements

8. Doctors would not be permitted to make "side agreements" for extra fees than those allowed by the State and continue to be eligible for State payments because of the danger medical service might deteriorate for those not paying the extra sums.

9. No exemptions from payroll contributions would be granted those wishing to be treated by a doctor not participating in the system.

10. Hospital charges will be included with a maximum limitation of time to be spent in a hospital.

11. Doctors electing not to participate in the State system could remain out.

12. Collections and payments to and from the health insurance fund to be handled by existing State agencies.

13. Establishment of an advisory governing board to determine policy and creation of a medical director to act as executive officer in administration of the health program.

The Governor said every survey he had seen "has indicated the majority of the medical men who are in the Armed Forces favor some kind of group medicine."

"I have preferred the fee system to the capitation plan," said the Governor.

Under the capitation plan doctors would receive a uniform payment of fees payable per capita for each of their patients.

"The capitation system," said the Governor, "would militate against inclusion of the dentists and medical specialists in the system."

Warren said he believed that where a person has been contributing to the health insurance system and leaves California before getting any benefits, he should be allowed a return of at least a part of his contributions.

Tax Deductions

Payments to the health insurance system would be allowable deductions against both Federal and State income taxes, the Governor said.

One of the "enormous problems which will be faced at first," said Warren, "will be the treatment of 'hypochondriacs.'" He said medical men would have to deal with the problem themselves.

Chiselers, charlatans and similar persons might turn up in both the ranks of the doctors and the patients, Warren declared. But he believed the medical profession would do its own "policing" just as it does now.

Both houses of the Legislature resume sessions today following the week end recess.—Earl C. Behrens, Political Editor, in *San Francisco Chronicle*, Monday, January 15, 1945.

Governor Warren's Bill for Medical Care Periled

Competing Measures Threaten the Governor's Medical Care Bill

Sacramento, Jan. 15.—Governor Warren's proposed State compulsory health insurance program is in danger of being shunted off to an interim committee for protracted study . . . and there may be no action upon it at this session.

The Governor yesterday announced his bill, which will be introduced in the Legislature later this week, provides for collections from employers and employees during 1946 and commencement of benefit payments January 1, 1947.

One thing is certain: There will be plenty of controversy over health insurance. The Governor has said he believes that now is the time for action.

At present, it appears there will be a number of health insurance bills in addition to that to be introduced by Assemblyman Albert C. Wollenberg, San Francisco, and Senator Byrl R. Salsman, Palo Alto, in behalf of Governor Warren. The CIO is preparing a bill, and the California Medical Association, according to Ben Read, its legislative representative, will have a measure before the session ends.

With the prospect of competing legislation, the way will be made easier to bottle up the Governor's proposal by urging further study and sending all of the proposals to another committee.

In the Senate, Senator Jesse M. Mayo, Angels Camp, will head an 11-member Welfare Committee, to which the health bill will be sent for its first hearing. Mayo has an open mind on the subject, but the make-up of the committee indicates the other 10 members may have some pretty fixed opinions on the proposal.

In the Assembly, Speaker Charles W. Lyon will send the Governor's bill to the Public Health Committee. Fred Kraft, a San Diego druggist, is chairman of the committee and has expressed himself as opposed to any compulsory health insurance bill.

Lower House Prospects

The make-up of the Lower House Committee indicates some of the members there also may be looking for an out so as to keep the Governor's program from being enacted. To call for further study would be one way of accomplishing this.

The California Medical Association has definitely declared itself to be against any "system of complete compulsion" and will offer legislation providing for further expansion of voluntary physicians' service organizations.

The Association is expected to seek legislation providing for the payment of unemployment compensation during periods when employees are out of work because of illness and to provide for the reduction of pay roll taxes for unemployment purposes in those cases where employees are already enrolled in voluntary health programs.

The so-called "liberals," however, who have been shouting for progressive legislation will find themselves hard put to vote against the Governor's bill if it ever gets to the floor of the Legislature.

To clear the decks for early study of the Governor's 1945-47 State budget, which will be presented this week, Chairman Wollenberg of the Assembly Ways and Means Committee today organized his committee; 14 subcommittees made up of the 25 members of Ways and Means will devote themselves to the budget. The subcommittees include general administration, agriculture, corrections, education, the University of California, fiscal affairs, industrial relations, institutions, military affairs, motor vehicles, natural resources, social welfare, Department of Justice and water resources. . . .

Additional items recommended by Governor Warren were included in bills introduced today. Assemblyman John C. Lyons, Los Angeles, presented bills putting domestic help and agricultural workers under unemployment insurance and also making employers of one employee come under the unemployment insurance system. At present, an employer is excluded unless he employs four or more persons.

The two bills were not presented as administration measures, however.

(The Associated Press estimated that the two measures would expand the unemployment act to bring nearly 400,000 additional workers under its provisions. The State Employment Department said that the measure would affect 150,000 workers for employers hiring less than four people; 75,000 domestic and 169,000 agricultural workers. If those self-employed in agriculture were included an additional 130,000 would be affected. In June of last year 2,204,000 were subject to the act.) . . . —Earl C. Behrens, Political Editor the Chronicle, in San Francisco Chronicle, January 16, 1945.

California Health Insurance

Six Bills to Go Before Legislature; Doctors, Labor Back State Program

Sacramento, Jan. 17.—The Legislature will have at least six health insurance bills before it at the current session.

In addition to Governor Warren's program to be embodied in a bill expected to be ready for introduction next week, there will be two measures sponsored by the California Farm Bureau Federation, one by the Democratic majority bloc in the Assembly, another by the CIO, a bill by the California Medical Association and two or three others.

Senator George J. Hatfield, Merced county, will author the two bills of the Farm Bureau Federation.

Von T. Ellsworth, representing the federation, states there is no conflict between the Farm Bureau plan and Governor Warren's since farmers are not now covered by unemployment insurance.

The first of the Hatfield measures provide formation of health service associations by doctors and laymen. It would be a voluntary rather than a compulsory service except that all organizations providing medical care on a periodic payment basis would have to come under its provisions.

County Hospitals

The second bill relates to the use of county hospitals. It would authorize boards of supervisors to adopt a policy of admitting any and all county residents to be hospitalized in county hospitals and to charge for such services on the basis of the patient's ability to pay.

The Democrats are waiting to see what Governor Warren's bill covers before bringing in their measure. One proposal made by the Democrats is that the cost of compulsory health insurance be split among the employer, employee and the State. The Governor's program calls for a 1½ per cent pay roll contribution from employer and employee.

The Democratic bill may also contain the capitation system of payment whereby a doctor receives so much per capita for the care of each person who is his patient. The Governor favors a fixed fee payment plan.

CIO Favors System

The CIO bill will propose the capitation system of payments rather than the fee system.

Senator Fred Weybret, Monterey county, will father a bill permitting formation of hospital care districts.

The California Medical Association bill will not be presented for several days.

Meantime, Dr. Ernest Sloman of the California Dental Association conferred here today with Assemblyman Albert C. Wollenberg, San Francisco, who will handle the Governor's health bill in the lower house. Sloman favors the general program outlined by the Governor. . . .

—Earl C. Berens in San Francisco Chronicle, January 17, 1945.

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COUNTY SOCIETIES†

CHANGES IN MEMBERSHIP

New Members (17)

Contra Costa County (7)

Bernstein, S. L., *Pittsburg*
 Gray, A. Bernard, *Richmond*
 Loewenstein, Hans G., *Pittsburg*
 Mills, Martin, *Richmond*
 Moran, James A., *Richmond*
 Rea, Stanley L., *Richmond*
 Riklin, Henry H., *Richmond*

Riverside County (1)

Eilers, Paul G., *Riverside*

San Francisco County (6)

Bartlett, Alexander G., *San Francisco*
 Buerger, Walter Richard, *San Francisco*
 Downing, George C., *Carlisle Barracks, Pa.*
 Durfee, Raphael Burke, *San Francisco*
 Langley, Ivan Ira, *San Francisco*
 Modley, Betty D., *San Francisco*

Santa Barbara County (2)

Gibb, William Blake, *Santa Barbara*
 Day, Jane M., *Santa Barbara*

Santa Clara County (1)

Ehrhart, John D., Jr., *San Jose*

Transfers (1)

Behneman, Harold M. F., from San Francisco County to Riverside County

In Memoriam

Hill, Reuben Chandler. Died at Coalinga, November 20, 1944, age 69. Graduate of the University of California Medical School, Berkeley-San Francisco, 1901. Licensed in California in 1901. Doctor Hill was a member of the Tulare County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

McAulay, Martin. Died at Monterey, November 3, 1944, age 69. Graduate of the Hahnemann Medical College of the Pacific, San Francisco, 1904. Licensed in California in 1904. Doctor McAulay was a member of the Monterey County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

Orella, Fermin Ralph. Died at San Francisco, December 4, 1944, age 76. Graduate of the Cooper Medical College, San Francisco, 1892. Licensed in California in 1893. Doctor Orella was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

Sellery, Albert Clifton. Died at Long Beach, November 24, 1944, age 69. Graduate of McGill University Faculty of Medicine, Montreal, 1904. Licensed in California in 1906. Doctor Sellery was a member of the

† For roster of officers of component county medical societies, see page 4 in front advertising section.

Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

Smith, Ralph Merle. Died at Glendale, November 28, 1944, age 57. Graduate of the College of Medical Evangelists, Loma Linda, 1916. Licensed in California in 1916. Doctor Smith was a member of the Riverside County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

Turner, Jesse Harold. Died at La Canada, November 20, 1944, age 48. Graduate of Loyola University School of Medicine, Chicago, 1927. Licensed in California in 1927. Doctor Turner was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

CALIFORNIA PHYSICIANS' SERVICE†

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Beneficiary Membership

	September 1943	September 1944
Commercial Program	50,620	90,000
Rural Health Program.....	2,400	2,011
War Housing Program.....	26,336	15,560
Total Membership	79,356	107,571

On an over-all basis, the significant event of California Physicians' Service appearing before the Pepper Committee on Wartime Health and Education will be of interest. A report of this is in the October issue of CALIFORNIA AND WESTERN MEDICINE, on page 207. It will suffice to state here that C.P.S. was the only medical service plan in the nation which was invited to appear. It is also to be noted that a Pepper Field Investigating Committee will probably come to the West Coast during the coming months for further detailed study of C.P.S.

In general, C.P.S. is beginning to expand rapidly, as evidenced by the rate of acquisition during the past three months:

August	10,012 persons
September	7,127 persons
October	23,079 persons

Total 40,218 persons

C.P.S. continues to pay its \$2.25 unit value, but has drawn heavily from its reserve, due to the high incidence of surgery during summer months, in order to maintain this. At the last meeting of the Board of Trustees, held November 19th, Mr. Ralph R. Nelson, the actuary who

† Address: California Physicians' Service, 153 Kearny Street, San Francisco. Telephone EXbrook 0161. A. E. Larsen, M.D., Medical Director.

Copy for the California Physicians' Service department in the OFFICIAL JOURNAL is submitted by that organization.

has been retained by C.P.S. since its inception, reported on the first solid year of experience under C.P.S.'s new *Surgical Contract*. This report revealed that the rate of the present use of service and the dues for beneficiary membership would not develop the goal of the \$2.50 unit value. Consequently, it was recommended that our rates be increased to meet this. The Board of Trustees unanimously approved this recommendation, as contained in the following resolution:

WHEREAS, For the past year, and since the readjustment of medical and surgical benefits, the Board of Trustees of C.P.S. has been concerned with the inability of its present dues structure to produce sufficient income to meet the necessary costs of operation and services; and

WHEREAS, The Board has withheld action for approximately one year in order to permit its actuary, Mr. Ralph R. Nelson, to complete a study of experience; and

WHEREAS, Mr. Nelson has now completed such comparative study and has reported that either (a) dues must be raised, or (b) service to members curtailed; and

WHEREAS, After extended discussion the Board rejects any reduction of service as incompatible with adequate medical care, and therefore must raise dues of beneficiary members in an amount necessary to produce sufficient income; now, therefore be it

Resolved, Beneficiary membership dues are hereby revised as follows:

Surgical Coverage: \$.80 per month per man
1.20 per month per woman
2.00 per month for two-person family
3.00 per month for three or more person family

Medical Rider: .90 per month

And be it further

Resolved, That, with respect to new members, said revised dues shall be effective from and after December 1st, 1944, and that with respect to existing members, dues be revised as soon as possible under present contractual commitments; and be it further

Resolved, That the officers and administrative staff are hereby instructed to notify all professional and beneficiary members and all other interested persons of the terms of this resolution, and carry same into effect.

Significant administrative changes have occurred.

C.P.S. has created the position of an *Assistant Director*, who will have charge of the entire Southern Area, and it has also changed the operations of the Medical Department in the South with the employment of a full-time physician.

* * *

A new department has been created within C.P.S., which is beginning on an experimental basis, and which has been temporarily designated the "*Department of Professional Relations*." The function of this department is to contact physicians in their offices, and also talk with their nurses. Routine calls are being made upon all physicians, and definite gains have been made in the understanding of the C.P.S. program.

The attitude of the medical profession toward C.P.S. is evidenced by a noticeable diminution in the number of complaints from beneficiary members. This is evidence that physicians are rendering better service.

Most of the County Medical Societies have accepted the proposal from the C.M.A. that all new members of the County Society be acquainted with the principles of C.P.S., so that they may decide whether or not to become professional members. Since the May meeting in 1943, over 240 doctors have become professional members, with the activities of increase more evident during recent months, 63 new members having joined in October—the highest month since the organization of C.P.S.

Through the kindness of certain key physicians in several communities, the administrative staff has been offered the opportunity to sit down with groups of physicians, including nonbelievers, those without any particular concern and proponents of C.P.S. These discussions have been invaluable in acquainting these men with the history, problems and philosophies underlying California Physicians' Service.

With reference to the *recent action by a group of Alameda physicians* enjoining physicians in that area to resign from C.P.S., there have been gains and losses, but the net has been a loss of only seven physicians, leaving a total of 289 professional members still remaining, which is sufficient for us to give adequate service. . . .

T. HENSHAW KELLY, M.D.,
Secretary.

* * *

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CALIFORNIA PHYSICIANS' SERVICE A Nonprofit Corporation

Dear Doctor:

The California Medical Association, County Medical Associations, and Professional Members of California Physicians' Service have united their efforts to assist C.P.S. in its Professional Membership Drive.

We need the support of every physician if we are to meet successfully our mutual problems.

If a physician in your community is not a member of C.P.S. will you urge him to join now? Please write us if you should want an application form and other descriptive material.

Thank you for your coöperation in this new professional membership drive.

Very sincerely,

A. E. LARSEN, M.D.,
Executive Medical Director.

* * *

C.P.S. Beneficiary Members

(Report for January "C. & W. M.")

	October 1943	October 1944
Commercial Program.....	51,350	93,000
Rural Health Program.....	2,400	2,011
War Housing Program.....	20,867	15,200
Total Membership	74,617	110,211

As we note in the beneficiary membership statement, C.P.S. has now passed the 100,000 mark. This membership has been obtained in the face of a continuing labor turnover, which of course affects membership in C.P.S. Since C.P.S. deals only with groups, naturally the activities in those groups will affect C.P.S. accordingly.

There seems to be a growing interest on the part of industry and labor, and with the renewed support of the medical profession, our representatives are having less and less difficulty in obtaining large groups in old-line industries which, while expanded during wartime, will still be sizeable postwar organizations.

The recent pre-optimistic reaction to the war situation has not only affected our Commercial Program, but has had a much greater effect on our War Housing Program, which was to be expected. Migration from the temporary War Housing Project areas increased alarmingly during the latter months of the year, and in some areas—in particular, Vallejo—has seriously affected the continuity of the program.

At this writing, very significant events are occurring in the ranks of the medical profession, and there is considerable discussion about the place of C.P.S. in the future of medicine in the State of California. As developments occur, we shall keep the profession informed through this channel.

CALIFORNIA COMMITTEE ON PARTICIPATION OF THE MEDICAL PROFESSION IN THE WAR EFFORT

War-Time Graduate Medical Meetings in California

The War-Time Graduate Medical Meeting Committee for Zone 24, which comprises the Southern Counties of California, has initiated a full-scale Graduate Medical Meeting program. The War-Time Graduate Medical Meetings are sponsored by the American Medical Association, the American College of Physicians and the American College of Surgeons with the authorization of Surgeons General Norman T. Kirk, Ross T. McIntire and Thomas Parran.

The committee is composed of Capt. Harry P. Schenck (MC)USNR, of the U. S. Naval Hospital, Oceanside, California, Wayland A. Morrison, M.D. of Los Angeles, James Churchill, M. D. of San Diego, and Lt. Comdr. Geo. C. Griffith, (MC)USNR, Chairman, of the U. S. Naval Hospital, Corona, California.

Through the splendid coöperation of Capt. Jno. B. Kaufman, (MC)USN, District Medical Officer of the 11th U. S. Naval District, Capt. H. L. Jensen, (MC) USN, Medical Officer in Charge of the U. S. Naval Hospital, Corona, Capt. W. H. Leake, (MC)USNR, Chief of Medicine of the U. S. Naval Hospital, Corona, and Col. Verne Mason, MC, Medical Consultant, Office of the Service Command Surgeon, medical programs at bi-monthly intervals are presented in each of the following installations:

A.S.F. Regional Hospital, Camp Haan, Riverside
A.S.F. Regional Hospital, Santa Ana Air Base, Santa Ana

Birmingham General Hospital, Van Nuys

Camp Cooke, Lompoc, California

March Field, Riverside

U. S. Naval Hospital, Corona

U. S. Naval Hospital, Long Beach

U. S. Naval Hospital, Oceanside

Torney General Hospital, Palm Springs.

Programs are planned along general medical and surgical lines. Programs in the specialties are scheduled at appropriately spaced intervals.

Faculty for this teaching program has been selected after careful consultation with the Commanding Officers of each of the Army and Navy medical installations, and especially through the help and advice of Dean B. O. Raulston of the Medical School of the University of Southern California and President W. E. McPherson of the School of Medical Evangelists.

Composing the medical staffs of the service installations in this district are many of the leading University teachers of this country.

Captain Morton Willcutts (MC)USN, Commanding Officer of the U. S. Naval Hospital, San Diego, is presenting to the doctors of San Diego and environs a splendid medical program each Thursday afternoon.

The civilian physicians in the neighborhood of each of the Army and Navy medical installations have been invited to participate in these programs. Announcements will appear at regular intervals giving subjects and speakers.

This educational program is being conducted for civilian as well as service doctors and we wish to keep them regularly posted of the lectures.

The central office of this committee is located at the U. S. Naval Hospital, Corona, and communications addressed to the committee should be sent to this address, directed to the Chairman, Lt. Comdr. Geo. C. Griffith, (MC)USNR.

War Death Toll of Doctors 326

Chicago, Jan. 11—(U.P.)—A total of 183 physicians died in military service during 1944, the *Journal of the American Medical Association* reported today, bringing the total to 326 since the war started.—San Francisco *Chronicle*, January 12.

U. S. Casualties Reach 646,380 Exclusive of West Front Loss

Washington, Jan. 11—(I.N.S.)—Secretary of War Stimson today promised to make public casualty figures reflecting losses in the German breakthrough in Belgium and France at his news conference next Thursday.

The past week, which he said reflected casualties early in December, showed an increase of 7,999 from the previous report. They represent figures compiled through December 29 but, Stimson explained, they reflect actual casualties of a period of two or three weeks earlier.

Cumulative figures since the beginning of the war now are 106,952 killed, 333,849 wounded, 64,283 missing, 59,267 prisoners of war, making a total of 564,351.

The War Department totals, added to the figures of the Navy, Marine Corps and Coast Guard, make a grand total of 646,370 casualties of all types.

Total naval casualties of today are 41,838, divided as follows: Dead 20,683, wounded 10,312, missing 8,307, prisoners 2,536.

Marine casualties total 39,328 as follows: Dead 10,186, wounded 26,292, missing 907, prisoners 1,943.

Coast Guard, total 862; dead 572, wounded 194, missing 97, prisoners none.—San Francisco *Call Bulletin*, January 11.

COMMITTEE ON POSTGRADUATE ACTIVITIES†

Reginald Knight Smith Lecture

Mount Zion Hospital, San Francisco

Mount Zion Hospital, San Francisco, is inaugurating an annual lecture to be known as the *Reginald Knight Smith Lecture*, in memory of Dr. Reginald Knight Smith who served as Chief of the Division of Obstetrics of Mount Zion Hospital from 1909 to 1937, and in recognition of his outstanding medical service to the community.

Every year a prominent speaker of national medical repute will be invited to be the guest speaker on a subject of interest to the general medical profession preferably concerned with the newer developments in medicine. This year Dr. Philip Levine, formerly associated with the Rockefeller Institute and now Director of the Biological Division of the Ortho Research Foundation, Linden, New Jersey, has been invited to give the first lecture January 11, 1945, on the subject of Rh Factor, and Its Clinical Significance. Dr. Levine first published his work on this blood entity known as the Rh Factor in 1939 and later described the underlying causes of fatal hemolytic jaundice (erythroblastosis fetalis). It is known that a number of diseases, including many of the toxemias of pregnancy and repeated abortions and miscarriages, are due to the absence of the Rh Factor in the blood of certain women and its presence in their husbands and offspring. Children of an Rh positive father and an Rh negative mother may not only develop severe or fatal hemolytic jaundice (erythroblastosis fetalis), but may become mentally retarded because of injury to nuclei of their brains during gestation.

Dr. Levine received the Gold Medal award for his exhibition on Erythroblastosis Fetalis presented by the American Society of Clinical Pathologists in 1942. In

the same year the Mead Johnson Award was also presented to Dr. Levine for this original contribution. In 1935 Dr. Levine wrote the Wisconsin Law and in 1939 the New Jersey Law which authorized the courts in these states to order blood grouping tests in cases of disputed paternity. He has written numerous papers dealing with legislation on blood tests for non-paternity, individual differences of human and animal blood, and prevention of blood typing transfusion accidents. He has been on the faculty of the University of Wisconsin School of Medicine and a member of the staff of the Newark Beth Israel Hospital. He is a member of many academic and honorary societies, including Sigma Xi, American Society of Clinical Pathologists, Harvey Society, and the Society of Experimental Biology and Medicine.

COMMITTEE ON ASSOCIATED SOCIETIES AND TECHNICAL GROUPS

Figures on Army Nursing Problem as Given by Dorothy Thompson in "San Francisco Chronicle"

The proposal to draft nurses has led this column to make a mathematical investigation. It furnishes startling testimony to the devotion and patriotism of the nursing profession, and raises the question of whether this matter cannot be better settled on a volunteer basis than by compulsion. Here are the facts:

The total of active trained American nurses is, in round numbers, 265,000.

Of these it is estimated 25 per cent are over the age of 45 and ineligible for army service.

That reduces the figure to about 199,000.

Army nurses may have no dependents. Of all women's professions, nurses have the highest marrying average. In 1943, when the last full survey was made, 40 per cent were married.

There are no figures available to show how many have children, but it is conservative to estimate there are 49,000.

If this is correct, then there are, altogether, only 150,000 trained nurses eligible for the services.

And 75,000 nurses have already volunteered for the armed forces, half the eligible nursing profession of the United States!

I submit that in no other profession of our population is there so high an average of the volunteer spirit.

Forty-three per cent of the 75,000 volunteers were rejected or released by the services for various reasons, most of them involving physical unfitness. The services demand women able to go anywhere, under any circumstances, with an extraordinary degree of physical, mental, and emotional superiority.

The procurement assignment service of the Manpower Board has found only 41,000 who can be considered eligible. None of these have gone through Army tests. Presuming they are no better nor worse than the 75,000 free-willers, the 41,000 would boil down to 26,800.

And what is actually needed is 10,000 with replacements at the rate of 250 a month.

I submit the question of picking 10,000 out of 26,800 does not require a draft service for all women. It is a matter of individual investigation and public education.

Trained nurses are essential in operating rooms. But neither in the Army nor in civilian hospitals are they essential for emptying bedpans, making beds, giving baths, taking temperatures or administering prescribed medicines. One experienced trained nurse could train

corps of men or women for such services, and rapidly.

Desperately needed are large numbers of nurses' aides, both in civilian and military hospitals here at home. Of Army nurses 70 per cent are overseas. The other 30 per cent could be immediately available for overseas service if they could be replaced by overage nurses, useless for overseas work, but perfectly able to nurse the wounded who have been returned. That, however, means more nurses' aides in both civilian and military hospitals here.

But it is doubtful whether you can successfully draft women as nurses' aides. Most nurses' aides are doing part-time work, for which no draft could provide. Thousands of married women who could arrange their household and family duties to enable them to work two or three days a week in hospitals—and this is what most nurses' aides are doing—would have to be dropped if the demand were made for their full time.

To issue an order, and draft women seems to be quick and efficient. But in this particular case I fear it will be the least efficient and longest way to solve the problem.

"Res Ipsa Loquitur" In Malpractice

In a recent number of the *Bulletin* of the Los Angeles County Medical Association, appears the speech delivered by Marion P. Betty, Esq., at the meeting of the Los Angeles County Medical Association and Los Angeles Bar Association on Friday, September 29, 1944, at the Elks Club. Some excerpts follow:

Medical malpractice is the failure of a physician, undertaking the care and treatment of a patient, to possess or to exercise that reasonable and ordinary degree of learning, skill and judgment commonly possessed and exercised, by reputable physicians practicing in the same locality or in similar localities, in care of similar cases.

It also constitutes malpractice for the physician to fail to exercise his best judgment, at all times, in the care of his patient.

But the physician's best judgment must reach the required standard of that judgment commonly exercised by reputable physicians in similar cases in that or similar locality at that time. In other words, if the physician's best judgment fails to be equal to the common standard of reputable physicians, it is still malpractice, even though he exercises his best judgment.

The term, *res ipsa loquitur*, means, literally, "the thing itself speaks," but it is usually interpreted "the thing speaks for itself."

Res ipsa loquitur is a doctrine of the general law of negligence, but specifically it is a rule of evidence.

Originally the doctrine had no application to medical malpractice cases, but now it has been extended to such cases in most states. The trend is toward the extension of the doctrine in this field.

However, some states still do not recognize it.

In cases where the doctrine is applied it constitutes an exception to the general rule, which requires that the proof of a physician's negligence must be established by the testimony of qualified expert witnesses.

Mercury is first referred to in the "*circa instans*" of Mattheus Platearius (1140).